# Research on IP Slice Marketing Strategy from the Perspective of

## **Cultural Industry Management**

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Abstract: We found that a large number of accounts began to follow the main accounts, including Luo Yonghao and Xiao Yang Ge, and played the video clips of the main accounts, but it was difficult to understand the financial circulation and business philosophy. We observed that these sub-accounts will use Xiao Yang Ge, Luo Yonghao and other IP or Internet celebrities' goods links for sale. So this paper using the theory of economies of scale, and combined with the depth interview of related industry practitioners, final analysis get IP slice marketing model, that is, first apply for authorization to become a sub-account, then start editing according to the material provided by the main account, send video with goods links for video content distribution after editing is completed, get traffic through short videos, earn relevant commission for selling goods, and finally share money according to the selling ratio.

Key words: IP slice marketing; theory of scale economy; in-depth interview; operation mode

#### 1 Introduction

## 1.1 Background Introduction

Since 2019, with the development of Internet OTT business, the combination of cloud services and 5G network has provided technical support for the development of digital economy. After the accumulated experience of live streaming e-commerce marketing in 2016 and the emergence of short video platform in 2018, in this context, short video commerce has become an important marketing method in the e-commerce industry. Under the operation mode of mature account operation and attracting traffic for money, we observed that many sub-accounts of short video platforms started to follow the main accounts including Luo Yonghao and Xiao Yangge, playing the video clips of the main accounts, but it was difficult to understand the financial flow and business philosophy of them. We wondered: how did these sub-accounts become profitable? How to achieve mutual benefit between it and the main account?

#### 2 Literature review

## 2.1 Literature review of IP slice marketing phenomenon

The advantage of IP slicing lies in that, first of all, after obtaining the authorization of slicing, the sub-account can safely and boldly release videos without worrying about legal issues such as infringement. Secondly, by using the efficiency of the Internet celebrities themselves, the video exposure is greater and the product ordering rate is high. Then the sub-account does not need to open a

studio to buy professional shooting equipment, only need to edit the live material provided by the official to batch release. The IP slice authorization of Xiao Yang Ge is an IP address management technology, which can divide an IP address into multiple ones, so as to improve the security and reliability of the network.

Domestic scholars Li Bei and Guo Canbo in 2022, based on "Internet celebrity IP" fashion e-commerce model to discuss, summarize "Internet celebrity IP" e-commerce business model takes "attracting fans" as the means, audio as the medium, cooperate with some product brand, using hunger marketing, interactive marketing, realize the whole process. In 2021, domestic scholar Yang Zhiyun, in the article *Live streaming e-commerce 2.0: From e-commerce anchor to "Star IP" live broadcast features*, proposed to form the new era of live streaming e-commerce 2.0, constantly create IP and form an IP matrix. Different stars correspond to different styles and audiences, so that the live broadcast is more thematic, convenient for the scene and label, and will not exhaust the traffic of a single star. It has realized the sustainable content ecology and product ecology of live streaming e-commerce. In 2023, domestic scholar Ren Tianbao proposed in the article *Content E-commerce + IKP: Growth Logic, Operation Mode and Development Suggestions* that the conventional mode of IKP in TikTok and other short video platforms is to release vertical short video to attract traffic- -transform course into cash-use mini apps to deliver course.

The operation mode of IP slice marketing is to simplify this process, and directly uses the main account traffic to make secondary creation based on the content of main account, accurately recommend to the audience and use live shopping to make money.

#### 2.2 Literature review of economies of scale economy theory

Traditional economies of scale theory suggests that the quantity of output of a firm at a certain time has an inverse quantitative relationship with the average cost at that time, i.e., the larger the output at a certain time the lower the average cost will be. A single emphasis on the production or quantity scale of a product can not meet the market's pursuit of product type scale or variety scale. Modern economies of scale theory defines scale in a way that better meets the needs of market diversification. Measures of scale include not only tangible assets but also intangible assets and explain the phenomenon of intra-product division of labor.

In 2005, in the article New Features of Scale Economy and Innovation of Scale Economy Theory in Network Economy, scholar Wang Bingyi innovated and expanded the traditional scale economy theory by studying the new changes in the realization of scale economy by enterprises in the context of network economy. Scholar Sun Weidong, in 2008, studied the traditional scale economy theory, analyzed the obvious defects of the theory, and proposed a new theory of scale economy in the article Defects of the traditional scale economy theory - Debate on the scale economy of modern SMEs. In 2015, domestic scholar Tian Ping, in the article Analysis of the advantages and disadvantages of the scale of commerce and circulation industry based on the theory of scale economy, combined the actual phenomenon of China's commerce and circulation industry with the theory of scale economy, and proposed the moderate scale in order to achieve the best state of scale economy. Domestic scholars Yang Lei and Wang Jue in 2015, in the article Analysis of the economic mechanism of service outsourcing under economic globalization, combined the actual phenomenon of China's service outsourcing industry with the theory of scale economy, and proposed that Chinese enterprises should clarify their position in the industrial value chain and form a reasonable internal division of labor.

However, these studies did not study the phenomenon of the new network marketing model from the theory of scale economy, so they did not answer the questions about how the sub-accounts can achieve profits and how to achieve mutual benefit and win-win results between them and the main accounts.

## 2.3 Questions are raised

Therefore, this paper will start from the theory of scale economy and try to answer the following questions: Why does the phenomenon of network slice marketing appear under the background of e-commerce consumption? Can the hypothetical cooperation process model (that is, the main account authorize other accounts to look for all kinds of cooperation) come true?

## 3 Research methods

## 3.1 In-depth interview method

In-depth interview is a direct, unstructured, personal interview used to reveal the potential motivations, beliefs, attitudes, emotions, etc. of the interviewees about a problem or phenomenon. Simple observation may ignore the deep psychological activities of fan groups. But certain in-depth interviews can help researchers to have a more comprehensive and in-depth understanding of fan groups and their behavior practices. The specific operation process is as follows:

Research objects: The author selected 15 network slice practitioners from the official TikTok account of Hefei Sanyang Network Technology Co., Ltd. as the interview objects.

Sampling method: Purposive sampling was used to select suitable subjects for the study. The author further chose the sampling principle of "intensity sampling" and the sampling method of "snowballing" in order to select individuals with high information density and intensity for the study. (Purposive sampling refers to the method of selecting and identifying respondents according to the objectives of the study and the investigator's own subjective analysis. Based on purposive sampling, this study is supplemented by snowball sampling. This method starts with a few members of the total population, surveys them, asks them what other eligible people they know, and then goes back to those people and asks them about the people they know is snowball sampling.)

The number and length of interviews are not fixed. The interview location is online. The author mainly used media tools such as Jitterbug private messages, QQ and WeChat to conduct in-depth interviews. At the same time, in order to ensure the authenticity, accuracy and completeness of the data, the author pays attention to establishing a harmonious research relationship with the interviewees, focusing on the respondents' own understanding and attention to their own groups. After the recording of the interviews into a text script, coding and "continuous comparison" were used, and the original data were integrated into the category and the situation were analyzed.

## 3.1.1 Interview outline production

The interview questions were mainly divided into three main parts. The first part mainly involves the basic information of the respondents, including their age, education level and skill level. In the second part, the dimension of the research question is reduced to the interview question. Including its views on the video slice work, specific cooperation profit strategy and the way of the release and interfacing with auditing. The third part, the author prepares the main possible deep dive questions. During the interview and study, the investigator tried to avoid the four ethical issues and violations highlighted by scholar Alan Breghman (Alan-an Bryman): damage to study participants; no use of informed consent licensing documents or materials; violating the privacy of study participants; and deceiving study participants. And if the interviewees have any questions or dissatisfaction that they do not want to answer during the interview, they can remain silent or quit midway. The interview materials that the respondents stated they did not want to disclose were not included and cited in this study.

## 4 Research findings and discussion points

For the phenomenon of frequent appearance of network slicing in short video platform is observed, assuming that the cooperation process model is authorization -- IP slicing -- selling goods. That is, the main account looks for all kinds of cooperation to authorize other accounts. That is, the main account looks for all kinds of cooperation and authorizes other accounts. The authorized account is allowed to record live video and slice the wonderful points in its live broadcast, remake it into a new short video and play it, and then upload the yellow shopping cart to sell. Selling products can get a certain share of the profit. How do practitioners cooperate with the main account in the process of working on "network slicing"? Is the profit model as assumed above? The interviewees' answers supported this hypothesis:

"After applying for authorization, it will become a sub-account of Threesheep MCN, and then it can distribute the video content, get traffic through short videos, and earn the commission for related goods, you will get 30%, and MCN will get 70%." (S1)

"However, it should be noted that the authorized account should also abide by the rules. I read the rules well, and do not violate the rules in order to make better money." (S2)

"There is a time limit for the use of the material, and video output is required after obtaining the license. If the account continues to have no output, the permission will be withdrawn." (S3)

"I first started editing according to the material provided by MCN, and sent the video with shopping link after the editing was completed." (S4)

"Video streaming is a horse racing mechanism, and multiple accounts run at the same time to have the effect, matrix is the key. After achieving a certain scale, you can start to recruit people for the company, specializing in editing every day, and enjoy the commission." (S5)

## 4.1 Resource sharing of IP slice marketing brings economies of scale

In the article *New Development of Scale Economy and International Trade Theory in E-Commerce Environment*, Kong proposed the advantages of scale economy realized by virtual enterprises through resource sharing. Through information technology and communication, members of virtual enterprises use convenient information communication to be able to select partners based on sufficient information and truly realize information sharing, thus ensuring that all members of virtual enterprises can cooperate better and optimize resource allocation.

The company behind the network slice operation is like such a virtual enterprise, integrating top domestic content creation and operation talents and participants in the new retail industry, providing a full range of services from content creation, packaging, operation, supply chain and commercialization

for short video artists, e-commerce anchors and corporate organizations, and creating a supply chain ecosystem in the new retail mode. With a complete content distribution matrix and the original five-step closed-loop method of "teaching, practicing, measuring, testing and evaluating", it helps more ordinary people achieve "a job where there is a home". Through the short video platform, the content creation combined with the product, helps brands to achieve online marketing, and promotes the digital upgrade of traditional enterprises in the new retail mode.

Practitioners use the main account traffic to attract fans, and then the live video is recreated. The main account side provides content resources, and the sub-account carries out secondary attraction. The main account shares the live material editing work through sub-accounts, and sub-accounts share commission by selling homologation goods to realize the content distribution matrix and further expand the scope of economies of scale

## 4.2 The buyer's market of IP slice marketing has a large demand

In e-commerce, there are not only supply-side economies of scale, but also demand-side economies of scale (or buyer economies of scale). Supply-side economies of scale rely on the expansion of the supply-side production scale, bringing down costs to increase manufacturers' returns. Demand-side economies of scale rely on the expansion of demand-side market size, which leads to an increase in purchasing power to increase vendor returns.

"Crazy Xiao Yang Ge" TikTok account has exceeded 100 million fans, its ability to bring goods is naturally second to none. According to the data of Feigua, as of November 9, Xiao Yang Ge has conducted 29 live broadcasts in the past three months, with GMV of 1 billion to 2.5 billion, and average sales of 50 million to 75 million. In contrast, the recently hot Dongfang Selection live stream had a GMV of 1 billion to 2.5 billion yuan in the same period, but conducted 89 live streams.

At the same time that the traffic of the main accounts is skyrocketing, many sub-accounts have released clips of Xiao Yang Ge live broadcast with goods, and all these video accounts are not released by the official account of Xiao Yang Ge, but all kinds of accounts like alternate. Using this "live slice" method, the sub-account got the official authorization of Xiao Yang Ge to release the clip video of the live broadcast material with the official purchase link. The main account successfully radiates its IP influence to a wider range, and at the same time, it can also earn more commercial benefits.

According to *Time Weekly*, more than 2,000 people have been authorized by Xiao Yang Ge's live slicing, and he can get profit from live slicing alone is about 16 million yuan per month. The basic information of Hefei Three Sheep Network Technology Co., Ltd. disclosed by AIC is that its retail and sales scope includes but is not limited to shoes, hats, clothing, daily necessities, electronic components, automobiles, hardware, stationery retail, cameras and equipment, cosmetics, personal hygiene products, sporting goods and equipment, household appliances, furniture, jewelry, fruits and vegetables, agricultural products, arts and crafts and collectibles. It shows that the demand-side market involved in network slice marketing is quite extensive.

## 4.3 The network organization of IP slice marketing makes the marketing more systematic

The network organization of IP slice marketing includes virtual organization, team-based organization, adaptive organization, rapid cycle organization, learning organization, horizontal or process-based organization, etc. These organizational forms have a common feature--they all

emphasize the four basic characteristics of dispersion, unitality, virtuality and parallelism. The relationship between them is: due to the fierce market competition, various production resources should concentrate the best resources, which inevitably leads to the dispersion of manufacturing; because the previous centralized control and hierarchical control do not meet the needs of decentralized production; The production process relies on a networked production environment, which requires time and cost savings through parallelism and the use of computer previews of decentralized activities, which is parallelism and virtualization.

Firstly, a network organization composed of associated small and medium-sized enterprises in the same industry can have external effects by increasing the number of scales. Besides, the horizontal network organization composed of unrelated small and medium-sized enterprises helps to expand the market boundaries of enterprises and realize economies of scale through the expansion of "market capacity". For example, the business scope of Hefei Three Sheep Network Technology Co., Ltd. includes general items: technology services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; information technology consulting services; software development; photography and printing services; personal business services; etiquette services; conference and exhibition services; brand management; network equipment sales; audio equipment sales; advertising design, agency; advertising publishing; Advertising production; literary creation; personal Internet live services; organization of cultural and artistic exchange activities; cultural and entertainment brokerage services; leasing services; corporate image planning; project planning and public relations services; general cargo storage services; camera and video production services; educational consulting services. These require network organizations of SMEs associated with the same industry for vertical scale extension, which in turn reduces the cost of content production.

Some commodity retailing, on the other hand, requires unrelated small and medium-sized enterprises to form a network organization horizontally for horizontal scale extension, expanding the fan economy horizontally through scale and increasing the realization channels. These industries include: clothing and apparel retail; shoes and hats retail; daily necessities sales; electronic components retail; glasses sales; Internet sales; automobile sales; motorcycle and parts wholesale; hardware products retail; electronic products sales; stationery supplies retail; cameras and equipment sales; computer software and hardware and auxiliary equipment retail; cosmetics retail; personal hygiene products sales; sporting goods and equipment retail; household appliances sales; daily necessities sales; furniture sales; needle and textile sales; jewelry retail; fresh fruit retail; fresh vegetables retail; edible agricultural products retail; arts and crafts and collectibles retail; gifts and flowers sales; watch sales; toys sales; auto parts retail; instrument sales; health ceramic products sales; communication equipment sales; plastic products sales; labor protection supplies sales; food sales; food Internet sales; health food sales.

## 5 Summary and reflection

## 5.1 IP slice operation mode

Based on the above analysis, the hypothesis is verified. The operation mode of IP slice marketing first applies to MCN (three sheep) for authorization. After applying for authorization, it will become a sub-account of three sheep MCN, and then it can distribute video content, get traffic through short video, and earn related commission with goods, and take 30% of profits, with MCN company

takingx 70%. Then sub-accounts start the clip according to the material provided by MCN, and after the clip is finished, they post the video link in the clip.

Through the interview I found that the use of the material are time-limited, after obtaining authorization, the sub-account needs to produce video. If the account continues to have no output, the permission will be withdrawn. Video access to traffic is a horse race mechanism. Only multiple accounts operating at the same time can have an effect, so the IP matrix is critical. When the account reaches a certain size you can start recruiting people, at this point you just need to specialize in editing every day and sit back and enjoy the commission.

#### 5.2 Impact of IP slice operation

There are many big IP slicing accounts on the Internet. In addition, there are also many accounts that do live e-commerce business are currently licensing IP live slicing, transferring the operating costs to third parties, and they only need to maintain the IP influence.

For example, for the IP "Fandeng Reading", there are many accounts about "Fan Deng" on the short video platform, some of them have the official identity of the platform, and some without the identity of the account also opened a link to sell books. There is also Dong Yuhui, the anchor of Dongfang Selection, who has a large number of similar accounts on the short video platform that look closely related to him. These accounts video content is also mostly Dong Yuhui some "famous" excerpts, and then hang on yellow shopping cart to sell the corresponding goods. Almost as long as a well-known person, IP, there will be a lot of slicing account existence.

The operation mode of IP live broadcasting authorization is also very risky. If these sub-accounts use the traffic to sell fake and shoddy goods for profit, it will have a huge negative impact on the brand image. Xiao Yang Ge's solution to this problem is to strictly regulate the authorization. According to the "Short Video Community Self-discipline Convention" and "Live Broadcast Self-discipline Convention" released by Xiao Yang Ge, he has strict requirements on the profile picture, video content and sales content of third-party accounts. For example, the third party account video can not directly copy the content of Xiao Yang Ge jokes, but must use the official material. And the sub-account must also use the goods provided by the three sheep. If the third party account wants to live, the studio layout and the anchor dress also have different requirements.

IP live broadcast slice authorization is feasible, but it requires e-commerce companies and content platforms to increase governance. At the same time, they should also do a good job in supply chain management to ensure that product problems can be effectively solved in the first time, so as to maintain good influence.

#### 5.3 Inadequacy of this study

This paper lacks the combination of economies of scale theory in the model analysis of IP slice marketing. In terms of research methods, the selection of interviewees is limited to the employees of the same company. Similar IP slice marketing companies include Dongfang Selection and Luo Yonghao, which can expand the scope of interviewees and avoid the problem of homogenization.

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